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19 March 1963

MEMORANDUM FOR: Deputy Director (Intelligence)

**SUBJECT : The Current Albanian Situation
and US Policy**

SUMMARY

1. In the fifteen months since the formal break of diplomatic, party, and trade relations with the USSR, the Albanian regime of party boss Enver Hoxha and Premier Mehmet Shehu has remained politically stable.

2. There has been some deterioration in the economic situation, but it is not serious. The rate of economic growth is slowing down, without any significant decrease in production. The standard of living has been maintained with assistance from Communist China. While the evidence is sketchy, Chinese assistance appears to be continuing. There is certainly still a well-knit political working relationship between the two allies.

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4. The United States regards Albania as a significant disruptive force in the Sino-Soviet Bloc.

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DISCUSSION

Internal Conditions

6. The best test of the political stability of the Hoxha-Shehu regime is its ability to continue in power after having challenged the Soviet leadership. The efficient Hoxha-Shehu power apparatus has been and remains impenetrable to Soviet or Yugoslav subversion. The last known Soviet effort to subvert the Albanian regime came in the summer of 1960--well before the climax of the Soviet-Albanian dispute. This led to the disappearance of Politburo member and party secretary Liri Belishova, as well as Control Commission chief Koco Tashko, in September of that year.

7. At the same time, there is evidence that some Albanians--intellectuals, military personnel, and students who have studied in the Soviet bloc--disapprove of the regime's pro-Chinese and anti-Soviet line. An undetermined number of these--some of whom were probably members of the party apparatus below the central committee level--were purged in the first four to six months after the break with the USSR. While we doubt that these purges have eliminated all those who could be termed pro-Soviet, we believe that those remaining are suppressed, unorganized, and politically insignificant.

8. The Albanian people are in general far from satisfied with their economic and political conditions. The emergence of the Soviet-Albanian dispute and the resulting near isolation of their country, however, has not appreciably increased either the strength or activity of any opposition. Appeals to nationalism after the break actually brought some increase in popular support, but such appeals are now losing their efficacy. The regime has prevented a crystallizing of mass discontent through careful maintenance of a supply of consumer goods--particularly food and clothing--adequate by Albanian standards.

9. [REDACTED]

[REDACTED] small-scale guerrilla activity in the northern and southern border areas. It is difficult,

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however, to assess the extent of such activity and to determine whether it is indigenous [redacted]

In any event, the regime retains full control of the military and the ruthlessly efficient Sigurimi, the state's security organization. The latter has played the primary role over the past 18 years in putting down any opposition to the regime.

Role of Communist China

10. The Albanian standard of living has always been low, and it has not required much in the way of Chinese consumer products, Chinese wheat, or Chinese-financed wheat to maintain it. However, [redacted] overall Chinese "aid" has fallen below the expectations of the Albanian leadership.

[redacted] the withdrawal of Chinese technicians, which apparently has been going on since last fall, means a Chinese abandonment of their Albanian allies. The absence of any accurate information on Chinese trade and credits, on the number of Chinese technicians in Albania, and on the number who allegedly have been departing [redacted] difficult to assess. We suspect, however, that such Chinese technicians as may have left Albania were employed in making preliminary industrial surveys which have now been completed.

11. Chinese aid has not been sufficient to maintain the momentum of the original Albanian development plan, which was drafted before the dispute. The Albanians were consequently forced to scale down their program. Nevertheless, they announced late last year that work had been completed, had begun, or would begin this year on at least 16 of the 25 industrial projects promised by China under its 1961-65 credit agreement. Cooperation agreements signed in December and January provide for exchanges of technicians in 1963.

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[REDACTED]

we urge
all western countries to remain receptive to any
Albanian-initiated overtures with the hope that a
growth of contacts with the West ultimately will
lessen Tirana's dependence on the Chinese. There

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